to deal with questions relating to labour. Action have been taken for the early introduction of legislation for regulating the grant of compensation to workmen; the bill is under consideration by the Select Committee of the Legislative Council. The Director's proposals for the enactment of a law relating to the registration of Trade Unions for which there is no proper legislative provision at present are separately under consideration. Draft rules under the Factories Amendment Regulation No. VI of 1925, were published with Notification No. D. 5848—I. & C. 67-26-9, dated 22nd January 1927. The Director's proposals for the appointment of Inspectors and certifying surgeons to administer the Factory Law are also under consideration.

10. *General.*—In Government Order No. O. 7152-63—Seri. 92-26-1, dated 25th February 1927, the control of the Sericultural Department was transferred from the Director of Agriculture to the Director of Industries and Commerce as a stage has been reached in sericulture where problems of reeling and markets require greater attention than to those connected with expansion of mulberry.

The Report submitted by the Director gives a lucid account of the operations of the Department in the year under review and Government are glad to note that the difficult questions arising in the administration of the Department have on the whole received adequate attention, and that strenuous efforts are being made to rectify defects brought to light by experience.

N. RAMA RAO,
Secretary to Government,
Development Departments.

FINANCIAL SECRETARIAT.

Report on the Administration of the Excise Department.

READ—

Letter No. Ped. 19—26-27, dated 17—18th October 1927, from the Excise Commissioner in Mysore, forwarding the report on the Administration of the Excise Department for the year 1926-27.

ORDER NO. FL. 5942-52—Ex. 55-27-3, DATED 24TH JANUARY 1928.

Mr. B. Ramaswamaiya was in charge of the Department till 11th April 1927 and Mr. S. P. Rajagopalachari took charge of the Office of the Excise Commissioner on 12th April 1927.

2. *Administrative Changes.*—During the year under review there were no separate District Excise Officers in any of the Districts, the Revenue Sub-Division Officers being in charge of the excise work also. The Deputy Commissioner, Kadur District, was in charge of the excise work of the Chikmagalur and Mudgere Taluks from 25th November 1926, owing to the transfer elsewhere of the Probationary Assistant Commissioner who was till then in charge of those two Taluks. In view of the magnitude and complexity of excise work in the Districts of Bangalore and Kolar, the separate posts of the District Excise Officers were revived towards the close of the year.

3. The following were the other more important changes sanctioned during the year:—

(1) The rate of duty on ganja was enhanced from Rs. 20 to Rs. 22-8-0 per seer of 80 tolas with effect from 1st July 1927.

(2) The age limit of persons to whom liquor and drugs could be sold was raised from 16 to 18 years on the recommendation of some of the Excise Licensing Boards and the sale of liquor and drugs to women was prohibited with effect from 1st July 1927.

(3) Education cess at the rate of six pies in the rupee on certain items of excise revenue was ordered to be levied in the Kadur District with effect from 1st July 1927.

(4) Deputy Commissioners of Districts were empowered to sanction the remission of irrecoverable arrears of Excise Revenue up to a limit of Rs. 100 and also secret service expenditure up to Rs. 25.

(5) Two additional Excise Inspectors were sanctioned on a temporary basis for the formation of Mobile parties in the Districts of Shimoga and Kadur for the suppression of illicit distillation.

4. *Manufacture of Country Spirits.*—Mr. A. S. Ismail took over the manufacturing contract for three years of which this was the first year. The existing system of valuation of the stock and block of the Government Central Distillery at Bangalore at the time of each change in the Arrack Manufacturing contract for the same being purchased by the in-coming contractor from the out-going contractor is reported to be unsatisfactory and the question of revising the arrangement is under the consideration of Government. The Excise Commissioner brings to notice that Chikkere tank which supplies water to the Distillery is over-grown with weeds and lotus plants and that the surplus sewage water is allowed to flow into it. Early action should be taken to set the matter right in communication with the Public Works Department and the Bangalore City Municipality. Repairs to the installation of lights inside the Distillery premises which is reported to have gone out of order should have been attended to promptly. Separate metre for recording the

There was a decrease in the quantity of arrack manufactured and issued during the year. The quantity of country spirits manufactured was 3,22,644 gallons as against 3,45,650 gallons in the previous year and the quantity issued (including 67,962 gallons issued to Civil and Military Station and denatured spirits) was 3,32,257 gallons against 3,42,603 gallons in the year 1925-26.

5. *Transport of Arrack.*—Government are glad to observe that the present system of carriage of liquor under departmental agency is working economically and satisfactorily. The total quantity of molasses arrack transported during the year was 2,48,285 gallons as against 2,69,063 gallons in the previous year. The quantity booked as wastage was 2,727 gallons or 1·1 per cent as against 3,207 gallons or 1·2 per cent in the previous year. The percentage of wastage has steadily gone down since the transport business was taken over under departmental agency and the Excise Commissioner has hopes of reducing the wastage further by resorting to better methods of transport. The Excise Commissioner's proposals in this behalf are awaited.

It is reported that a large number of bonded depots are located in private buildings, most of which, particularly in the Tumkur District, are unsuitable for the purpose. Government agree that the Depots should, wherever possible, be located in Government buildings in the premises of the Taluk Offices. The Excise Commissioner is requested to prepare a programme for their construction in consultation with the Chief Engineer and submit the same for the orders of Government.

There has been some increase in the quantity of proof liquor used for adjusting weak liquor in depots and that issued to shop-keepers on payment of duty and price, *viz.*, 55 gallons as against 21 gallons during the previous year. The Excise Commissioner is requested to investigate into the cause of this increase and suggest suitable measures to obviate it.

6. *Consumption of Country Spirits.*—The report shows that the policy of reducing the number of licensed shops in response to local opinion is maintained and that consumption of country spirits is going down from year to year. The consumption of these liquors has fallen from 3,17,000 gallons in 1917-18 to 1,67,200 gallons in 1926-27. The consumption per hundred of population was 2·8 drams in the year under report as against 5·6 in 1917-18. The number of shops was 606 as against 752 in 191-718. The revenue derived from country spirits amounted to Rs. 25,92,540 as against Rs. 26,72,621 in the previous year thus showing a fall of Rs. 80,081.

Arrack.—The quantity of molasses arrack consumed during the year was 2,45,180 gallons as against 2,59,476 gallons in the previous year. The fall in the consumption of arrack is noticeable, in the Districts of Bangalore, Mysore, Shimoga and Kadur, in the last of which it is attributed to keen competition between the licensees of arrack and special liquor shops. The Excise Commissioner is requested to see that there is no unhealthy competition between the licensees of arrack shops and those of special liquors. Effective steps should be taken to put down illicit distillation and malpractices with the help of the mobile staffs sanctioned for this purpose wherever there is reason to think that the decrease in consumption is due to these causes.

7. *Special Liquors.*—The consumption of bottled liquors consisting of jaggory arrack of 35 U. P. and special liquiors of 20 U. P. amounted to 5,080 gallons and 5,840 gallons respectively as against 3,981 and 6,540 gallons respectively in 1925-26. The increase of 1,539 gallons of jaggory arrack in Bangalore and Kadur Districts is reported to be due to mismanagement of molasses arrack shops in Bangalore City and also to the competition between the licensees of molasses arrack and jaggory arrack shop-keepers in the Kadur District. The fall in the consumption of special liquors (amounting to 700 gallons) which is stated to be general in all Districts except Chitaldrug is attributed by the Deputy Commissioners of Mysore and Hassan Districts, to the change in the method of supply of special liquors with effect from 1st July 1926, according to which the shop-keepers are required to obtain the liquors direct from the Distillery. The Excise Commissioner's report on the question of reverting to the old system of supply through the bonded depots is awaited.

8. *Rectified Spirits.*—The quantity of rectified spirits issued during the year from the Government Central Distillery, Bangalore, amounted to 3,329 gallons, of which 1032 gallons were issued free of duty and 2,284 gallons at concessional rates chiefly to the Mysore Pharmaceuticals, Ltd.

9. As the rate charged for the supply of rectified spirits for industrial purposes was much higher than the rate charged in British India for the same article, the manufacturing contractor reduced his price from Rs. 3-15-0 to Rs. 2-12-0 per gallon. Government note that as a result of this the Mysore Pharmaceuticals, Ltd., was able to offer its products at comparatively favourable rates and to secure a better market therefor during the year.

10. *Denatured Spirits.*—The manufacturing contractor has been permitted to use spirits of 50 O. P. in the manufacture of denatured spirits instead of spirits of the strength of 60 O. P. in order to enable him to reduce the cost of denatured spirits.

11. The question of authorising the use of the methyl alcohol produced at the Mysore Iron Works as a denaturant in the manufacture of these spirits is under the consideration of Government and orders thereon will be passed shortly.

12. *Toddy.* The revenue from toddy was Rs. 33,84,015 as against Rs. 34,85,415 giving an incidence of Re. 0-9-3 as against Re. 0-9-5 per head of population during 1925-26. The number of shops also decreased from 2,573 to 2,547. The number of trees tapped was 3,47,978 as against 3,51,505 in the previous year. There was a decrease of 6,000 trees under date and bagani, partly made up by an increase of 2,473 trees under cocoanut and palmyra.

13. In some districts the fall is attributed to the paucity of tappable date trees within easy reach and consequential intensive tapping. The question of the growth and conservation of Date Plantations in the State is engaging the attention of Government. A Committee has been constituted to go into the matter thoroughly and Government await the result of the investigation to deal with this important problem.

14. *Malt and Foreign Liquors.*—The consumption of Beer decreased to 11,423 gallons from 12,077 gallons in the year previous while that of foreign liquors slightly increased from 23,060 gallons to 23,653.

15. *Ganja.*—The area under ganja cultivation and the out-turn during the year was 25 acres and 162 maunds and 9 seers respectively as against 30 acres, 218 maunds 36 seers in the year previous. It is reported that ganja produced during the year was of superior quality. The consumption of ganja declined by five per cent, *i.e.*, from 12,771 seers in 1925-26 to 12,030 in the year under report. This was due to the restriction imposed on the supply of ganja. The revenue realised was also less, *viz.*, Rs. 4,30,623 against Rs. 4,66,210 in the last year. The balance of stock at the end of the year decreased from 23,653 to 17,713 seers. Instances of shortage of ganja in sealed packets having come to notice, the Government Chemical Examiner has been entrusted with the work of scientifically investigating into the matter of driage under various atmospheric conditions and his report is awaited. As an experimental measure the ganja shops of Bangalore City and Taluk area were disposed of on a system of surcharge fees to prevent the smuggling of ganja. Government observe in the report that the introduction of surcharge system, the restriction imposed on the issues from the treasuries of ganja and the vigilance of the staff have tended to prevent smuggling and general fall in the consumption of the drug.

16. *Opium.*—The consumption of opium fell from 1,505 seers in 1925-26 to 1,362 seers during the year under review, the Kolar District contributing to a decrease of 122 seers. It is reported that issues in the Kolar District had to be restricted during the year as it was suspected that the increase during the last year in Kolar Gold Fields and other places was due to smuggling of the drug beyond the State. The consumption in the Bangalore City shops decreased from 161 seers to 137 seers, probably due to the working of the surcharge fee system introduced experimentally during the year. The Excise Commissioner is requested to submit a detailed report of its working during the current year.

17. *Financial results.*—As compared with the previous year there was a decline in Revenue Demand to the extent of Rs. 1,78,218. The decrease in the consumption of liquors has reflected not only in the decline of the principal items of duty but also on that of the rentals realised in the auction sales of excise privileges. The total demand for the year including the arrears of Rs. 3,61,453 amounted to Rs. 68,99,220, out of which Rs. 65,60,119 were collected and a sum of Rs. 19,240 was written off the accounts leaving a balance of Rs. 3,19,861 at the close of the year.

The incidence of taxation per head of population was Rs. 1-2-2 as against Rs. 1-2-8 in the previous year.

18. Government note with satisfaction that the collection of the current demand was uniformally good in all the districts, but the percentage of collection of old arrears was 21·3 as against 35·6 in the previous year. The old arrears are heavy in the Districts of Bangalore, Mysore, Tumkur and Kolar. The Deputy Commissioners of these Districts should devote special attention to the collection of arrears and see that they do not become irrecoverable on account of any laxity on the part of the District Staff concerned. Amounts definitely ascertained to be irrecoverable should be written off under proper sanctions instead of being allowed to accumulate and swell the arrear demand. The Excise Commissioner is requested to issue needful instructions for a continuous scrutiny of the arrears with a view to prompt action being taken for their reduction.

Government have again to observe that there is divergence between the collections as claimed by the Department and the Comptroller's booked figures. It is hoped that early steps will be taken by the Excise Commissioner for the reconciliation of the two sets of figures.

19. *Inamdars' Claims to Excise Revenue from Toddy.*—Claims relating to Jodi Kodiyal Karehalli, Bangalore District, and Jodi Hoskote Villages in Mysore District, which are reported to be pending before the respective Deputy Commissioners should be expedited.

20. Government have perused with interest the Excise Commissioner's report of the work of the Excise Licensing Boards and of the action taken on the recommendations calculated to minimise drink.

Out of the 38 Excise Licensing Boards constituted in the State, 20 Boards met more than once and the remaining 18 met only once. The recommendations of the Boards with regard to closure and change of sites of shops and raising the age limit of persons to whom liquor and drugs can be sold from 16 to 18 years were given effect to.

21. *Offences.*—Though the year witnessed some decrease in the total number of offences against excise laws and the offences relating to illicit distillation and possession of illicit liquor numbered 128 as against 148 in the previous year, there is considerable scope for detection work. The staff sanctioned for dealing with illicit distillation cases in the Shimoga and Kadur Districts should show better results. The Excise Commissioner is requested to issue necessary instructions for the co-ordination of work between the special staff and range staff. Government have issued orders approving of the proposals of the Excise Commissioner for deputing the Superintendent, Excise Intelligence Bureau to check and guide the work of the Inspectors and also for granting a local allowance of Rs. 20 to each Inspector.

In appreciation of the good work done by him in connection with the detection of cases of illicit distillation of arrack, Mr. Venkatasubbaiya, Agent, under the Excise Contractor, Shimoga, was awarded a gold medal.

It is reported that illicit distillation cases are occurring also in the Maidan Districts resulting in the decrease of Excise Revenue. With a view to tackle important excise problems and to prevent malpractices affecting revenue and to ensure efficient scrutiny over the excise staff, the revival of the appointment of District Excise Officers in some districts is being pressed on the attention of Government. Separate District Excise Officers have been appointed in the Districts of Bangalore and Kolar. The proposal to revive District Excise Officers' posts in the Mysore and Shimoga Districts from next year will be considered.

22. *Inspection.*—Government observe that the inspection by the Excise Commissioner and the Deputy Commissioners were on the whole satisfactory but there is room for improvement in this direction. The inspection work done by some Sub-Division Officers, *viz.*, those of Nanjangud, Hole-Narsipur and Saklespur was inadequate or unsatisfactory. The Sub-Division Officers of Bangalore, Dodballapur, Saklespur, Tirthahalli, Sagar, Tumkur, Tarikere and Shimoga did not pay sufficient attention to the inspection of groves. Government wish to strongly emphasise the need for the frequent and surprise inspections of groves and shops by the Sub-Division Officers in charge of excise work.

23. The chart annexed to the report showing variations in the excise revenue and in the consumption of several exciseable articles is a new feature. It shows vividly the steady decline in revenue and consumption of arrack and toddy for the last 6 or 7 years. The report shows the several measures adopted by the Department from time to time towards the policies of securing the maximum of revenue with the minimum of consumption.

24. Government consider that the working of the Department during the year under reportw as satisfactory.

B. SRINIVASA IYENGAR,
Financial Secretary to Government.